

The Hon. Robert J. Bryan

UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

UNITED STATES OF AMERICA,

Plaintiff,

v.

MICHAEL JOHN SCOTT,

Defendant.

NO. CR20-018-RJB

**DECLARATION OF DEA SPECIAL
AGENT RYAN C. SMITH
IN SUPPORT OF MOTION FOR
PROTECTIVE ORDER
RESTRAINING CERTAIN
FORFEITABLE PROPERTY**

I, Ryan C. Smith, declare and say:

1. I am an "investigative or law enforcement officer of the United States" within the meaning of Title 18, United States Code, Section 2510(7). Specifically, I am a Special Agent with the Drug Enforcement Administration ("DEA"), assigned to the Bellingham, Washington Resident Office. In that capacity, I investigate violations of the Controlled Substances Act (Title 21, United States Code, Section 801, et seq.). I have been employed as a Special Agent with the DEA since March 2017. Prior to becoming a Special Agent, I was a detective in the Special Victims Unit, a police motorcycle officer, and a police patrol officer with the Hoover Police Department in Hoover, Alabama. In my experience as a law enforcement officer, I have participated in numerous narcotics

1 investigations, during the course of which I have participated in physical surveillance and
2 executions of search warrants.

3 2. I have completed the DEA Basic Agent Training Course as well as other
4 training courses related to gangs and narcotics trafficking. I have participated in narcotics
5 investigations at both the local and federal level, and I have participated in the execution
6 of federal search warrants. As a result, I have become familiar with methods of operation
7 of drug traffickers and organizations. As a Special Agent with the DEA, I have the
8 responsibility of working with other federal and state law enforcement officers in
9 investigations of violations of federal and state controlled substance laws, including the
10 investigation of violations related to cocaine, methylenedioxymethamphetamine
11 (MOMA), methamphetamine, heroin, fentanyl, marijuana and other dangerous drugs.

12 3. I have participated in the debriefing of defendants, witnesses, and
13 informants, during which time I have discussed with them their methods of drug
14 smuggling, distribution, packaging, trafficking, avoiding law enforcement, and
15 laundering proceeds, among other concerns related to drug trafficking. I have discussed
16 and learned from other law enforcement investigators with regards to these matters as
17 well.

18 4. Based on my training, experience, and conversations with other
19 experienced narcotics investigators, I have gained insight into the techniques and
20 methods used by drug traffickers to distribute controlled substances, their use of cellular
21 phones and other electronic communication telephones to facilitate their trafficking
22 activity, and the methods used to conceal and launder the proceeds of said activity. The
23 facts in this affidavit come from my personal observations, my training and experience,
24 and information obtained from other agents and witnesses. My specialized training and
25 experience in drug investigations form a basis for my opinions and conclusions, which I
26 drew from the facts set forth herein.

27 5. I make this declaration in support of a motion for entry of a protective order
28 that would allow the United States to maintain custody of, or otherwise restrain, a

1 2011 Dodge Ram 2500, VIN No. 3D7UT2CLXBG564155, Washington State License
2 No. C40349F, seized on or about January 30, 2020, from the Defendant's residence
3 located in Snohomish, Washington. (the "Subject Vehicle") pending resolution of this
4 criminal case.

5 6. The Subject Vehicle was seized on or about January 30, 2020, during the
6 execution of a federal search and seizure warrant at the residence of Defendant Michael
7 John Scott, located in Snohomish, Washington. The warrant was issued on the grounds
8 that there was probable cause to believe that the residence contained, among other items,
9 proceeds of a conspiracy to distribute drugs, in violation of 21 U.S.C. §§ 841(a)(1),
10 841(b)(1), and 846, and property involved in a conspiracy to launder money, in violation
11 of 18 U.S.C. § 1956(h). Probable cause was based on Defendant's association and
12 involvement with the Castro drug trafficking organization ("Castro DTO").

13 7. Records obtained by the government show that the \$18,150.00 balance of
14 the outstanding lien against the Subject Vehicle was paid in full using a cashier's check
15 on November 6, 2019. The cashier's check was issued by Wells Fargo Bank, N.A., at
16 which Defendant's business, Wired in Networks, maintained a checking account.
17 Defendant maintained a personal checking account with Northern Trust.

18 8. By all accounts, Wired in Networks did not operate as a legitimate
19 business. For example, on August 30, 2018, two members of the Castro DTO delivered
20 5,000 fentanyl-laced imitation oxycodone pills to Defendant at Wired in Networks' office
21 in Lynnwood, Washington. At that same meeting in Wired in Networks' office,
22 Defendant delivered cash drug proceeds, in the amount of \$150,000, for drugs previously
23 supplied to him by the Castro DTO. Similarly, on October 5, 2018, Defendant's wife met
24 with a Castro DTO member who had been directed to deliver "everything"—i.e., drugs
25 another coconspirator had delivered to Washington earlier in the day—at the Wired in
26 Networks office. Along with picking up the drugs at the Wired in Networks office on
27 Defendant's behalf, Defendant's wife delivered \$95,000 in cash drug proceeds to the
28 Castro DTO member at Defendant's direction. Moreover, throughout the course of the

1 investigation in 2018, law enforcement observed that when either Defendant or his wife
 2 arrived at the Wired in Networks office to meet with members of the Castro DTO, they
 3 would have to unlock the door to the office space. In other words, the business was not
 4 otherwise open, even when the meetings took place during regular business hours.

5 9. Not only was Wired in Networks, which appears to have funded the
 6 purchase of the Subject Vehicle, a simple business front for Defendant's drug trafficking
 7 activity, but Defendant appears to have continued to fund Wired in Networks' Wells
 8 Fargo checking account with bulk cash deposits totaling \$41,900.00 from January
 9 through October 2019, while his earlier criminal case was pending sentencing. A bulk
 10 cash deposit of \$3,000 was completed on October 29, 2019, a week before the cashier's
 11 check was purchased to pay off the balance of the Subject Vehicle. Although there may
 12 be an innocent explanation for Defendant's suspicious cash deposits into the bank
 13 account of an apparently illegitimate business, Defendant's history of engaging in drug
 14 trafficking—an illegal, cash-based business—strongly suggests otherwise.

15 10. After the Subject Vehicle was seized, the DEA initiated administrative
 16 forfeiture proceedings against it, pursuant to 18 U.S.C. § 983. Defendant Scott filed a
 17 claim to the Subject Vehicle on May 10, 2021, during DEA's administrative forfeiture
 18 proceeding.

19 11. Currently, the Subject Vehicle is in the custody of the United States
 20 Marshals Service.

21
 22 I declare under penalty of perjury that the foregoing is true and correct.

23 DATED this 30 day of September, 2021, in Whatcom, Washington.

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 26 RYAN C. SMITH
 27 DEA Special Agent
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